GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:2288
ANSWERED ON:17.12.2003
DISINVESTMENT OF ITDC HOTELS
PRIYA RANJAN DASMUNSI

Will the Minister of DISINVESTMENT be pleased to state:

(a) the details of market price of ITDC Hotels and the total value of their hotels and the disposal value in respective cases which have already been disinvested from the chain of Hotel Corporation of India or the ITDC; and

(b) the details of Centaur Hotel of Mumbai pertaining to its creation, property valuation, land valuation disposal at disinvestment tax valuation and subsequent change of hand to Sahara Group and their benefit amount?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHF SHOURIE)

(a) The requisite information is at Annexure 1.

(b) The requisite information is at Annexure 2.

Annexure 1

Annexure to the reply to part (a) of the Lok Sabha Unstarred Question No. 2288 for 17.12.2003 regarding Disinvestment of ITDC Hotels by Shri Priya Ranjan Dasmunsi.

The realisations etc. from disinvestment of the hotel properties of India Tourism Development Corporation Limited (ITDC) and Hotel Corporation of India Limited (HCI) when compared to the reserve price determined, are as under :-

(A) ITDC

S. No.	Hotel & Location	Reserve Price (Rs. Crores)	Realisation (Rs.)	Transaction Date
1	Ashok Bangalore (including Airport Restaurant) (MGAP) (Given on 30 years` Lease-cum-Management Contract) Bangalore -Karnataka	3.40	4,11,00,000.00-Minimum Guaranteed Annual Payment (MGAP). 39,42,65,552 - Upfront amount inclusive of payments to AAI. Security Deposit for 2 years; 50% of discounted MGAP for 30 years; MGAP/License fee for 4 months from 29.11.2001 to March 2002 and Business Transfer Consideration for both Hotel and Airport Restaurant)	29.11.2001
2	Bodhgaya Ashok (Sold- 99.97% equity) Bodhgaya, Bihar.	1.67	2,01,04,813.00 GOI - 1,80,94,272.88 IHCL - 20,10,540.12	29.11.2001
3	Hassan Ashok, (Sold- 99.97% equity) Hassan, Karnataka	2.19	2,52,00,000.00 GOI - 2,26,23,406.45 IHCL - 25,13,793.55 Hassan Municipality - Rs.62,800	29.11.2001

4 Madurai Ashok
(Sold- 99.97% equity)
Madurai, Tamil Nadu. 3.64 5,52,51,021.00

GOI - 4,93,73,728.79
IHCL - 54,86,148.21
Corpn. Of Madurai- 3,91,144 31.01.2002

5 TBABR, Mamallapuram
(Sold- 99.97% equity)
Mamallapuram, T. Nadu 5.18 6,80,79,300.00

GOI - 6,12,71,170.81
IHCL - 68,08,129.19 01.02.2002

6 Agra Ashok
(Sold- 99.97% equity)
Agra, Uttar Pradesh 3.26 4,00,53,000.00

GOI - 3,53,92,672.94
IHCL - 39,32,647.06
Agra Cantt Board - 7,27,680 07.02.2002

7 Laxmi Vilas Palace Hotel
(Sold- 99.97% equity)
Udaipur, Rajasthan 6.12 7,52,00,000.00

GOI - 6,76,79,779.97
IHCL -75,20,220.03 26.02.2002

8 Qutab Hotel, New Delhi
(Sold- 99.97% equity)
New Delhi. 31.00 @ 35,67,54,179.00

GOI - 10,98,55,893.00
L&DO - 7,32,37,500.00
MCD - 16,14,54,179.00
IHCL - 1,22,06,607.00 20.03.2002

9 Lodhi Hotel New Delhi
(Sold- 99.97% equity)
New Delhi 40.36 @ 76,40,67,643.00

GOI - 40,28,14,567.00
L&DO - 30,03,83,872.00
MCD - 1,61,10,575.00
IHCL - 4,47,58,629.00 22.03.2002

10 Hotel Airport Ashok, Kolkata
(including Airport Restaurant)
(Sold- 99.97% equity)
Kolkata, West Bengal 14.83# 20,01,51,000.00
GOI - 5,64,73,145.00
AAI - 3,46,45,817.00
DDM - 94,15,040.00
VRS - 9,33,42,000.00
IHCL - 62,74,998.00 08.07.2002

11 Kovalam Ashok Beach Resort
(Sold- 99.97% equity)
Kovalam, Kerala. 41.75# 43,68,76,000.00
GOI - 29,72,69,034.00
VRS - 10,65,76,000.00
IHCL - 3,30,30,966.00 11.07.2002

12 Manali Ashok
(Sold- 99.97% equity)
Manali, Himachal Pradesh 1.91# 4,00,00,000.00

GOI - 3,10,43,599.00
HPSEB - 11,61,000.00
VRS - 43,46,000.00
IHCL - 34,49,401.00 15.07.2002

13 Khajuraho Ashok
(Sold- 99.97% equity)
Khajuraho, Madhya Pradesh 2.01# 2,21,00,000.00
GOI - 19,83,594.00
ITDC - 11,00,000.00
VRS - 1,87,96,000.00
IHCL - 2,20,406.00 07.08.2002

14 Varanasi Ashok
(Sold- 99.97% equity)
Varanasi, Uttar Pradesh 5.55# 9,11,00,000.00
GOI - 6,57,36,686.00
VRS - 1,80,59,000.00
IHCL - 73,04,314.00 07.08.2002

15 Hotel Aurangabad Ashok
(including Airport Restaurant)
(Sold- 99.97% equity)
Aurangabad, Maharashtra 15.05# 17,40,42,000.00
GOI - 8,15,92,835.00
SCR - 5,43,42,000.00
Tehsildar - 9,00,000.00
VRS - 2,81,41,000.00
IHCL- 90,66,165.00 04.09.2002

16 Hotel Ranjit, New Delhi
(Sold - 99.97% equity)
New Delhi 23.78# 30,30,00,000.00

GOI - 9,14,32,041.00
L&DO - 15,91,61,459.00
MCD - 81,61,054.00
IHCL - 1,01,59,446.00
VRS - 3,40,86,000.00 07.10.2002

17 Kanishka, New Delhi
(Sold - 99.97% equity)
New Delhi 70.90# 95,95,01,000.00
GOI - 32,14,15,576.00
L&DO - 31,62,95,626.00
NBCC - 2,80,29,707.00
NDMC - 12,34,14,088.00
VRS - 13,46,32,000.00
IHCL - 3,57,14,003.00 08.10.2002

18 Indraprastha, New Delhi
(Sold - 99.97% equity)
New Delhi 18.34# 45,03,33,333.00
GOI - 14,84,38,576.00
L&DO - 15,30,56,905.00
NBCC - 1,45,39,099.00
NDMC - 4,37,29,042.00
VRS - 7,40,76,000.00
IHCL - 1,64,93,711.00 08.10.2002

19 Incomplete Chandigarh Project
(Sold -100% equity of ITDC)
(Sold as 100% subsidiary
of ITDC) Chandigarh, Punjab. 14.01 $ 17,27,20,981.00
Chandigarh Admn -12,65,37,813.00
ITDC - 4,61,83,168.00 16.10.2002

Total Upfront Realisation to GOI, UT of Chandigarh, CPSUs and Statutory Bodies - Rs. 444,18,49,697.84

@ Reserve price/Bid price inclusive of dues of MCD/L&DO taken upfront from the bidders.
# Reserve price/Bid price inclusive of dues of various authorities and VRS amounts taken upfront from the bidders.
$ Reserve price/Bid price inclusive of outstanding dues of Chandigarh administration.

Legend:

AAI - Airports Authority of India - Realisation to AAI is on account of outstanding dues towards lease rent for the land of the hotel and license fee for the restaurant.
DDM - Dum Dum Municipality, Kolkata
GOI - Government of India - for 89.97% (approx) shares.
HPSEB - Himachal Pradesh State Electricity Board - Realisation to HPSEB is towards outstanding dues from ITDC.
IHCL - The Indian Hotels Company Limited - for 10% (approx) shares.
ITDC - India Tourism Development Corporation Ltd - For Khajuraho Ashok, the amount is towards reimbursement for out of court settlement of land related dispute. For Incomplete Chandigarh Project, the amount is towards ITDC`s share.
L&DO - Land & Development Office (Dept. of Urban Development) - Realisation to L&DO is on account of Unearned Increase in the value of the leased land plus damage charges etc.

MCD - Municipal Corporation of Delhi - Realisation to MCD is towards outstanding property taxes/service charges due from ITDC.
NBCC - National Building Construction Corporation Ltd - Realisation to NBCC is towards outstanding dues from ITDC.
NDMC - New Delhi Municipal Council - Realisation to NDMC is towards outstanding property taxes/service charges/compounding charges etc due from ITDC.
SCR - South Central Railways - Realisation to SCR is on account of settlement of dispute on land value.
Tehsildar - Tehsildar, Aurangabad - Outstanding dues from ITDC.
VRS - Voluntary Retirement Scheme (including Gratuity) - The amounts in respect of the employees opting for VRS in each hotel unit have been taken upfront from bidders for payment to the employees by ITDC.

Additional recurring realisations :

1. Ashok Bangalore :

For the Hotel :

There will be annual realisation of Rs.2.55 crores (50% of MGAP) or an amount calculated as the difference between 16.5% of the gross turnover of the hotel plus restaurant and 50% of MGAP, whichever is higher.

For the Restaurant:

Annual License fee of Rs.30 lakhs increasing @ 10% per annum; Fixed amount of Rs.70.08 lakhs per annum for providing in-flight catering and sale of Beer at/from the Restaurant premises and interest free refundable Security deposit of Rs.51.60 lakhs and Rs.19.80 lakhs (Rs.15.60 lakhs towards electricity charges and Rs.4.20 lakhs towards water charges).

2. Qutab Hotel, New Delhi:L&DO to receive Rs.36,61,875.00 as Annual Rent @ 2.5% of value assigned to land and interest free refundable Security Deposit of Rs.1,09,85,625.00 equivalent to 3 years rent. (The Annual Rent and corresponding Security Deposit to increase by 30% every 10 years) L&DO also received Rs.1,10,358/- towards advance ground rent for the period from March 20,2002 (date of execution of transaction documents) to March 31, 2002.

3. Lodhi Hotel, New Delhi:L&DO to receive Rs.1,34,27,196.00 as Annual Rent @ 2.5% of value assigned to land and interest free refundable Security Deposit of Rs.4,02,81,588.00 equivalent to 3 years rent. (The Annual Rent and corresponding Security Deposit to increase by 30% every 10 years). L&DO also received Rs.3,31,082/- towards advance ground rent for the period from March 22,2002 (date of execution of transaction documents) to March 31, 2002.

4. Hotel Airport Ashok, Kolkata: AAI will receive the following amounts:

For the Hotel :

Rs.25,96,787/- as Annual Lease Rent @ Rs.92.15 per sq mtr calculated on Built Up Area (11,440 sq mts) or 28,180 sq mts (total land), whichever is higher (Annual Lease Rent would increase by 20% every 3 years). Annual Turnover Levy @2% subject to a Minimum Guaranteed Annual Payment of Rs.14 lakhs increasing every 5 years to Rs.26 lakhs, Rs.34 lakhs, Rs.50 lakhs, Rs.71 lakhs and Rs.85 lakhs respectively. Security deposit (Rs.12,98,394/-) equal to Annual Lease Rent of 6 months.Apart from the above, AAI also received Rs.18,99,567/- as advance lease rent for the period from July 8, 2002 (transaction date) to March 31,2003.

For the Restaurant :

Annual Rent of Rs.30 lakhs increasing @ 10% per annum; Fixed amount of Rs.70.10 lakhs per annum for providing in-flight catering and sale of Beer at/from the Restaurant premises and Security deposit of Rs.71,40,000/- towards License fee and Electricity/water charges. Apart from the above, AAI also received Rs. 1,93,548/- as Advance Monthly Rent and Rs.4,52,129/- as Advance Fixed Monthly Fee (for providing in-flight catering services & sale of beer etc.) for the period from 8th July 2002 (transaction date) to 31st July 2002.

5. Hotel Ranjit, New Delhi:L&DO to receive Annual Ground rent of Rs. 40,70,325/- and Interest-free (refundable) Security Deposit of Rs. 1,22,10,975/- equivalent to 3 years Annual Ground Rent. L&DO also received Rs.19,62,677/- towards advance ground rent for the period from October 7, 2002 (date of execution of transaction documents) to March 31,2003.

6. Hotel Kanishka, New Delhi: L&DO to receive Rs.1,56,11,983.00 as Annual Rent @ 2.5% of value assigned to land and interest free refundable Security Deposit of Rs.4,68,35,949.00 equivalent to 3 years rent. (The Annual Rent and corresponding Security Deposit to increase by 30% every 10 years). L&DO also received Rs.74,85,197/- towards advance ground rent for the period from October 8,2002 (date of execution of transaction documents) to March 31, 2003.

7. Hotel Indraprastha, New Delhi:L&DO to receive Rs.76,05,275.33 as Annual Rent @ 2.5% of value assigned to land and interest free refundable Security Deposit of Rs.2,28,15,826.00 equivalent to 3 years rent. (The Annual Rent and corresponding Security Deposit to increase by 30% every 10 years). L&DO also received Rs.36,46,366/- towards advance ground rent for the period from October 8,2002(date of execution of transaction documents) to March 31, 2003.

8. Incomplete Chandigarh Project: Chandigarh Administration to receive Annual Ground Rent @ Rs.31,89,375/- for 1st 33 years, @ Rs.47,84,063/- for the next 33 years and @ Rs.63,78,750/- for the last 33 years in terms of the Chandigarh Lease Hold of Sites &

Building Rules, 1973. Chandigarh Administration also received Rs.95,68,125/- as interest free refundable security deposit equivalent to 3 years annual rent. Apart from the above, Chandigarh Administration also received Rs.14,59,248/- towards advance ground rent for the period from 16 October 2002 (date of execution of transaction documents) to March 31, 2003.

(B) HCI

S.No.	Hotel	Reserve Price (Rs. Crores)	Bid Price (Rs. Crores)	Transaction Date
1	Centaur Hotel Juhu Beach Mumbai (Slump sale) Transfer date: 31.5.02	101.60	153.00	Transaction date: 11.3.02
2	Indo Hokke Hotels Ltd (Centaur Rajgir) (Sold - 100% equity of HCI)	3.86	6.51	Transaction/Transfer date: 26.3.02
3	Centaur Hotel Airport Mumbai (Slump Sale) Transfer date: 5.6.02	78.30	83.00	Transaction date: 18.4.02

Annexure 2

Annexure to the reply to part (b) of the Lok Sabha Unstarred Question No. 2288 for 17.12.2003 regarding Disinvestment of ITDC Hotels by Shri Priya Ranjan Dasmunsi.

The details regarding Centaur Hotel Airport Mumbai are as under:-

1. Centaur Hotel Airport Mumbai was the first hotel of Hotel Corporation of India Limited (HCI) to commence business in 1975. The Hotel is built on land admeasuring approximately 30,047 sqm leased from the Airports Authority of India. The total built up area of the hotel is approximately 26,328 sqm.

2. Advertisement inviting Expressions of Interest (EOIs) for this hotel along with other hotel properties of HCI was issued in October 2000. The reserve price for the hotel was determined at Rs.78.30 crores and the business of the hotel was sold on slump sale basis to the highest bidder for Rs.83 crores. On the transfer date, i.e., 5.6.2002, the purchaser viz., M/s Batra Hospitality Private Limited (BHPL) also executed an Agreement with Airports Authority of India (AAI) for acquiring 29 years lease hold rights of the land of the hotel. As per the Lease Agreement, BHPL would have to pay to AAI lease rental of Rs.163/- per sq mtr per annum of the built up area of the leased premises and turnover levy @2% of annual turnover subject to the following minimum guaranteed annual payments:-

(i) First Five Years - Rs.0.50 crore

(ii) Second Five Years - Rs.0.90 crore

(iii) Third Five Years - Rs. 1.20 crore

(iv) Fourth Five Years - Rs.1.75 crore

(v) Fifth Five Years - Rs.2.50 crore

(vi) Last Four Years - Rs.3.00 crore

3. It was intimated by BHPL that its entire shareholding has been bought over by Sahara India Group from the then existing shareholders of BHPL on 10.10.2002. Further, Sahara India Group intimated that the total transaction value paid to the shareholders of BHPL amounted to Rs.45 crores in addition to repaying the borrowings from Oriental Bank of Commerce to the extent of Rs.70.50 crores.